

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

ALLIANCE OF WESTERN ENERGY
CONSUMERS

For an Order Approving Deferred
Accounting Treatment for Increased Fly
Ash Revenues

DOCKET UE-210852

DECLARATION OF DAVID GOMEZ

- 1 I, David Gomez, under penalty of perjury under the laws of the state of Washington, declare as follows.
- 2 I am over 18 years of age, a citizen of the United States, a resident of the state of Washington, and competent to be a witness.
- 3 I am employed by the Washington Utilities and Transportation Commission (Commission) as an Assistant Power Supply Manager, Energy Regulation. I have been employed in this position at Lacey for eight years.
- 4 In his response testimony in PacifiCorp's current Power Cost Only Rate Case (PCORC) in Docket UE-210402, Alliance of Western Energy Consumer's (AWEC) witness Bradley G. Mullins identified a new contract PacifiCorp entered into for the sale of coal combustion residue (fly ash) at the Jim Bridger Generating Station. Fly ash is used in construction to make concrete, bricks and other building supply products. According to Mullins, given reduced supply resulting from coal plant closures and increased construction demand, prices for fly ash have been increasing at a rapid pace in recent years. Presently, fly ash revenues are recorded in FERC Account 456; Other electric revenues, and are adjusted in general rates and not through the Power Cost Adjustment Mechanism baseline.
- 5 Staff views the revenues produced by the new contract to be material. They represent almost three percent of the as-filed Net Power Cost baseline of \$104 million in PacifiCorp's current PCORC. The revenues are also significantly greater than the current level of fly ash revenues embedded in rates in PacifiCorp's recently completed 2019 GRC. Staff's materiality determination also recognizes that there is a limited time by which this increased benefit may pass to ratepayers given the removal of coal costs from Washington's electric rates in 2025. The settlement resolving PacifiCorp's 2019 GRC forbids the company from filing a rate case for rates effective before January 1, 2024.
- 6 Staff supports AWEC's proposed deferral of fly ash revenues from the Jim Bridger Generating Station. A deferral now preserves amounts the Company will earn during its current rate plan for later consideration when PacifiCorp files for a change to its base rates effective after January 1, 2024.

DATED at Olympia, Washington, and effective this 10th day of December 2021.

/s/ David C. Gomez

DAVID C. GOMEZ